

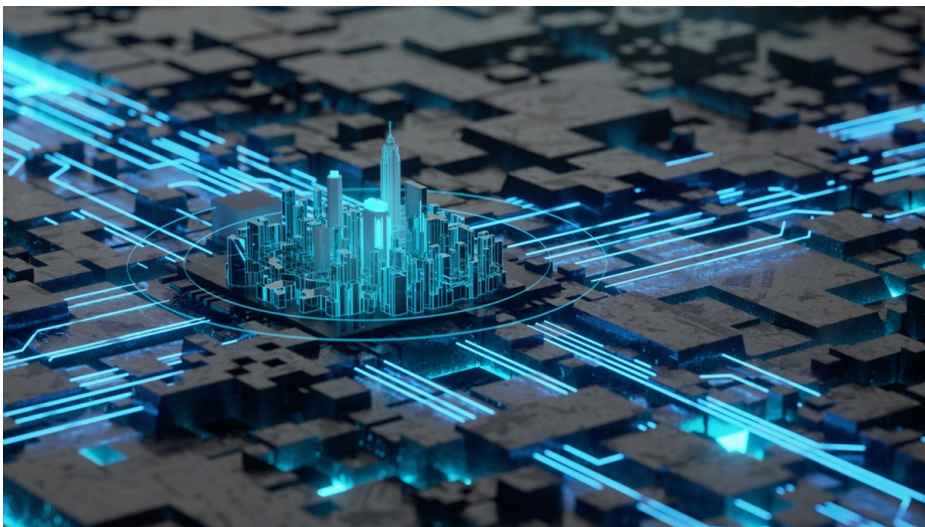
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Trump's 300% tariff threat sends shockwaves through Asian markets

Heather Ng

22 hours ago

President Donald Trump's proposed 300% tariffs on imported semiconductors have rattled global markets and heightened concerns across Asia's chip-reliant economies.



President Donald Trump has reignited trade tensions with his proposal to impose tariffs of up to 300% on imported semiconductors.

The idea was first floated during an interview aboard Air Force One last month and later reinforced at a White House dinner attended by leading tech executives, including Apple CEO Tim Cook.

Trump stated that a "substantial tariff" would be introduced soon, aimed at companies that have not committed to US-based manufacturing. Firms investing in domestic production, such as Apple—which pledged \$600 billion—could be exempt from the new duties.

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The announcement has triggered widespread market uncertainty, with investors already adjusting their portfolios in anticipation of potential disruptions.



Andrew Zurawski
WTW

Andrew Zurawski, chief economist for Asia Pacific at WTW, said that international net flow of funds data has suggested investors are responding by reallocating capital.

"Most notably, we have seen a shift in capital allocation to emerging markets since the first half of 2025. These trends could continue," Zurawski told *AsianInvestor*.

MARKET EFFECTS

The ripple effects of Trump's tariff proposal are being felt acutely across Asia, where certain economies have a significant share of GDP tied to the semiconductor industry.

"Clearly, economies such as Taiwan and Malaysia have a higher share of GDP dependent on the semiconductor industry, so the potential impact of a change in tariffs is higher for these countries than others," Zurawski said.

However, he cautioned that short- and medium-term dynamics are difficult to assess, citing regional relationships and rapidly evolving technological trends.

"China is a key example we have seen earlier this year," he added.

Steve Alain Lawrence, CIO at Balfour Capital, warned that even the threat of a 300% tariff could move the markets.

"A 300% tariff on imported semiconductors should be viewed as a tail-risk rather than a base case, but even the threat is disruptive," he said.

"For Asian investors, the immediate concern is margin pressure as suppliers decide whether to absorb costs, reroute supply chains, or pass them to US OEMs."

Lawrence expects that onshoring momentum in the US will accelerate, benefiting firms with American fabs such as TSMC and Samsung.

In contrast, downstream US tech manufacturers could face slower capital expenditure cycles, creating spillover risks for Asian suppliers and funds exposed to global ICT demand.

"Taiwan and South Korea face the greatest exposure given their dominance in advanced logic and memory chips bound for the US," Lawrence said.

He noted that Taiwan's TSMC and UMC are particularly at risk, though US fab expansion offers partial mitigation. Korean DRAM and NAND producers may see pressure on commoditised segments, though scarcity in high-bandwidth memory (HBM) provides resilience.

"China is most vulnerable structurally, as its legacy-node exports lack workarounds," said Lawrence.



Steve Alain Lawrence
Balfour Capital Group

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Pruksa Lamthongthong
Aberdeen Investments

"ASEAN economies reliant on backend assembly and testing are less directly exposed, provided tariff rules remain based on wafer fabrication origin."

LACK OF CLARITY

A major concern among investors is the lack of clarity surrounding the scope and implementation of the proposed tariffs.

"There is still considerable uncertainty around the outcome of the proposed policy. For instance, it appears there will be exemptions to companies that have existing investments or are pledging to invest in US facilities, which will likely influence the outcome of economic, trade and investment outcomes."

Pruksa Lamthongthong, deputy head of APAC equities at Aberdeen Investments, echoed the concern.

"At this stage, no official details have been released regarding the scope, magnitude, or implementation framework of these potential tariffs, which leaves considerable uncertainty around their impact," she said.

She added that "historically, many of the Trump administration's more aggressive tariff proposals have either been scaled back or implemented with significant exemptions and caveats to mitigate adverse effects on the US economy."

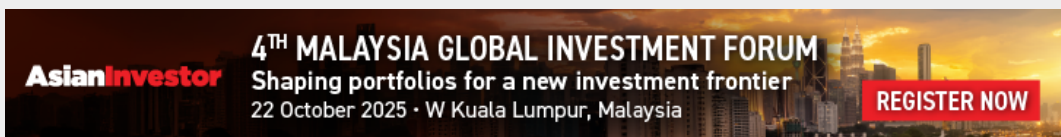
She also pointed out that many key players in the Asian tech supply chain already maintain substantial investments in the US or have publicly committed to expanding their footprint in the market, which may shield them from the harshest effects.

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